

Saimaa University of Applied Sciences
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Internal Communication Issues in Multinational Corporations

Case: Outotec Filters

Thesis 2014

Abstract

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The purpose of this study is to investigate internal communication issues in multinational corporations. The thesis was commissioned by Outotec Filters, a unit of global Outotec.

The theoretical part discusses the basics of communication, internal communication, multinational corporations and the related concepts, gathered from books and previous researches. The empirical data were collected solely by qualitative method. Semi-structured interviews were conducted with ten employees of the case company.

The results of the study show that Outotec Filters employees are dealing with several difficulties in achieving effective internal communication, especially blue-collar workers. Consequently, the satisfaction of blue-collar workers about the corporate internal communication is relatively lower than white-collar staffs.

Based on the findings of the issues, some suggestions were brought up to help the case company upgrade its internal communication. This research could serve as a reference material for other MNCs to review their communication management.

Keywords: internal communication, corporate communication, communication issues

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Appendix 1 Interview questions

1 Introduction

1.1 Background of the study

The topic of this thesis stems from the researcher's own interest in business communication, and desire for a better insight of internal communication in multinational corporations. The word "communication" originates from a Latin word "communis", meaning "to share, to make common" (Anyanwu 2009, p.6). Literally, "communication" describes the process of sharing information among human beings. As everyone is different and unique in personalities, achieving effectiveness in communication is a considerable challenge.

Internal communication is referred to as employee communication or employee relations. While effective internal communication cannot attract potential customers or produce profits, it will bring considerable benefits to organizations with a solid business foundation (Holtz 2004). Undoubtedly, this enhances employee productivity and improves workplace relationships.

Despite both being divisions of organizational communication, internal communication has not previously been paid as much attention to as external communication. The Financial Times reported that internal communication of the early days used to consist mainly of "low-budget company newsletters, often by public relations or human resources specialists" (Holtz 2004). However, in this era of communication, the role of internal communication has been enhanced, and become a more vital part in corporate strategy, which boosts the company's success greatly. The fast development of technology also brings more choices of communication channels available for companies. On the other side, the complexity of technology and the globalization process also generates new problems to internal communication management.

This thesis is commissioned by Outotec Filters. As a multinational corporation (MNC), Outotec is facing a greater diversity among their employees, thus, causing more difficulties and challenges in managing internal communication. Therefore, an investigation of the current situation in the organizational communication is necessary. In addition, there are still a limited number of literature refer-

ences about internal communication in MNCs. Moreover, neither is there previous research with the same topic in this case company. Hence, this research could help the company better at understanding their employees, maintaining good relationships with them, and improving their work performance. Additionally, this research could also serve as a reference material for other MNCs to review their internal communication management.

1.2 Objectives & research questions

The main objective of this research is to study how to manage effectively the internal communication in multinational corporations (MNCs). To be more specific, it focuses on analyzing the current situation of the case company and the issues occurring in daily communication that may affect employees' relations and performances. Therefore, this study aims to answer this main research question:

“How effective and efficient is the internal communication in the case company and what problems are they facing?”

From this main research question, the researcher has drawn the following four sub-questions:

- 1. How is internal communication organized in a MNC?*
- 2. How do the employees of the case company feel about their internal communication?*
- 3. What are the problems and challenges they have with the internal communication?*
- 4. What are the suggestions and ideas to improve the internal communication?*

1.3 Delimitations

Obviously, the limitations of the study are inevitable. First, choosing to use Outotec as the single case company can be seen as one limitation. The findings of the research could possibly work only for Outotec, and may not be applicable to other cases.

Second, this research concentrates on investigating the internal communication in Lappeenranta office of Outotec Finland (Outotec Filters) only, which means the communication within other branches of Outotec corporation in other regions and countries are certainly excluded.

Third, the research will focus more on studying the communication channels rather than the communication contents. Thus, many aspects of the communication contents are not thoroughly discussed in this study.

2 Fundamentals of communication

2.1 Defining communication

Until now, there is no universal agreement upon definition of the concept of “communication” among various scholars. Scholars have spent considerable effort to examine this term, and gradually found that there are a huge number of different approaches to understand communication deeply.

One of the most classic and well-known definitions of communication belongs to Liebenau and Backhouse in the book *Understanding Information* (1990). In this book, communication is described as a process involving at least two parties, and that process can be characterized as: a sender with intentions to convey, a medium or channel for transmitting signals, and a receiver able to interpret those signals. (Elearn 2013.)

Thereafter, WorldatWork (2007) interpreted communication as an interactive process including a sender and a receiver, both having the ability to influence communication. Communication is stated as a two-way process of transferring meaning and generating understanding. Sharing the same viewpoint, Schermerhorn (2010) contributes to the communication study with a more concise definition by describing communication simply as “the process of sending and receiving symbols with meanings attached”. These two definitions emphasize apparently that the eventual goal of communication is to obtain a mutual understanding of the same information between the sender and receiver.

In recent literatures, the concept of communication continues to be refined and extended in multiple ways. Jones (2013) defines communication as the process of creating meaning by means of sending and receiving both verbal and non-verbal signs and symbols that are influenced by various contexts. With this definition, the impact of the contexts to communication, which has been neglected in previous studies, is now gaining particular attention.

Although these concept definitions may slightly differ, they all notably acknowledge communication as a “process”, which includes a series of interactions. According to Fisher (2011), the communication process is not as simple as it seems to be on the surface. Actually, when investigated more closely, it turns out to be complicated. Fisher (2011) points out that every individual usually experiences the communication exchange with their personal background, expectations, biased, opinions, fears, desires and so on. In addition, the process is further made complicated by “noise” appeared in the system, which can be anything from actual physical noise to interruptions, emotions, accents, etc. Likewise, Jones (2013) comments that determining where or with which people a communication encounter begins and ends is also challenging.

2.2 Models of communication process

Noticing the complexity of the communication process, scholars have created and developed several theoretical models to demonstrate their viewpoints clearly towards this process. These theoretical models provide a visual presentation of specific concepts and simplified steps within the communication process with multiple approaches (Jones 2013).

In this research, the two classic models of communication analysed are the transmission (linear) and transaction models. Each model illustrates a different understanding of what communication is, what communication does and what might affect the communication process. While the communication field has experienced a considerable change over the recent thirty years, these models can still be found in the introductory chapters of almost any communication textbooks (Foulger 2004).

Transmission Model of Communication

The most classic and influential model of the communication process was developed by Claude Shannon and Warren Weaver in 1949 (Figure 2). Since then, the model has been widely accepted as the main foundation for the growth of communication study (Fiske 2010, p.6). According to Richard and McClintock (1990) the transmission model of communication characterizes communication as a linear, one-way process in which a sender (indicated as information source) intentionally transmits a message to a receiver (Jones 2013).

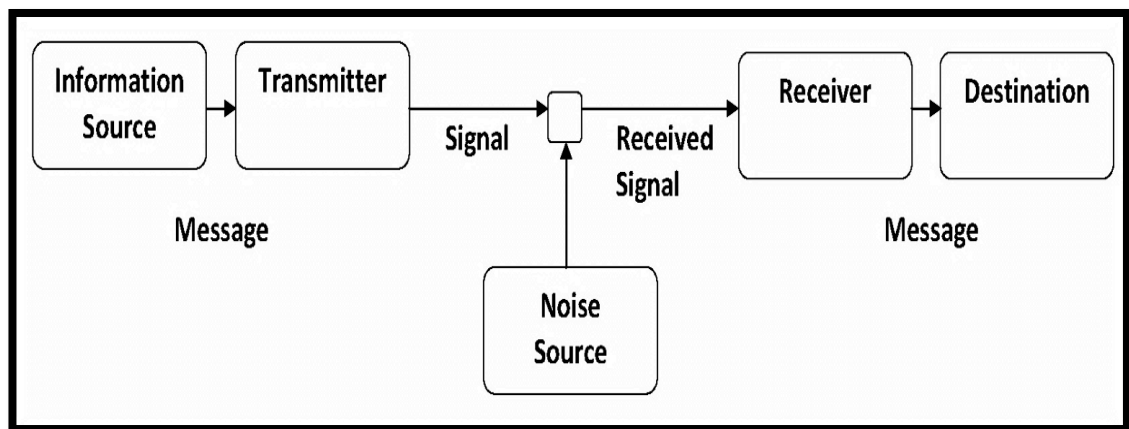


Figure 1. The Transmission Model of Communication (Shannon 1949)

The common key elements in most of the classic communication models are participants (sender or receiver), messages, encoding, decoding, and channels. Sender is the one who has a demand for communication. Message is the verbal, nonverbal or written content being transmitted from sender to receiver. Undoubtedly, receiver is the one whom the messages are aimed to reach.

The encoding and decoding process enable participants to send, receive, and understand messages. Encoding is the process of translating thoughts into communication; conversely, decoding is the process of turning communication into thoughts. Encoded messages are sent through a communication channel, on which a message travels and directs to the receiver for decoding. (Jones 2013.) The choice of channel can create an important impact on the whole communication process. Besides, many people are better at using certain

communication channels over others, and specific channels are more preferable to handle certain kinds of messages. (Shermerhorn, Osborn, Uhl-Bien, Hunt 2011.) In the following chapters, the communication channels and related issues will be discussed further in more details.

In this transmission model, the sender and message become the main focus during the communication process. Thus, the role of receiver is minimized and viewed as more a passive end point rather than a part of an ongoing process. Meanwhile, the sender bears a greater responsibility for the successful transfer of the message. (Jones 2013.)

Additionally, the transmission model also acknowledges that barriers to effective communication may appear. "Noise" implies anything that does not belong to the original message that the sender intended to transmit, moreover, it can negatively affect communication. (WorldatWork 2007.)

Generally, the transmission model is rather simple, therefore, applicable in almost any kinds of communication. The success of the transmission model is due to its simplification of the complex communication process into a set of basic components that not only demonstrate how communication happens, but also explains why communication sometimes fails (Foulger 2004). Although the transmission model may seem too simple or even antiquated today, the formation of this model encouraged scholars to investigate the communication process further in other different ways, which eventually resulted in more complex theoretical models of communication.

Transaction model of communication

As the study of communication developed further, models of the communication process are also expanded to a more advanced level. Many scholars view "communication" as more than a process of merely sending and receiving messages, which is the main weakness of the simple transmission model. Accordingly, the transaction model of communication (Figure 3), first proposed by Barnlund (1970) and subsequently refined several times by other theorists, is considered as a typically advanced communication model. Sereno and Morten-

sen (1970) argue that this transaction model is different from the transmission in three significant ways including the conceptualization of communication, the role of participants, and the role of context. (Jones 2013.)

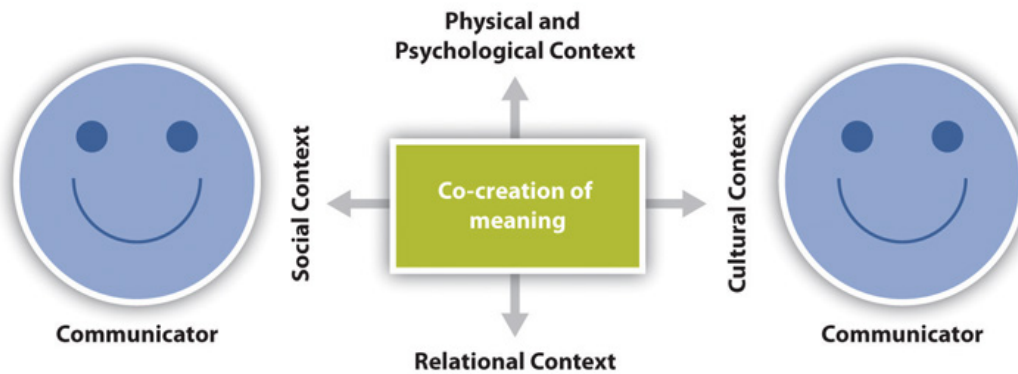


Figure 2. The Transaction Model of Communication (Jones 2013)

To start with, the conceptualization of communication is a highlighted distinction between these two communication models. The transaction model of communication particularly describes communication as a process in which communicators create social realities together within social, relational, and cultural contexts. In this model, the purpose of communication is not only to exchange information, but also to build human relationships, form intercultural alliances, shape self-concepts, and engage with other people in dialogues to generate social communities. In brief, the transaction model views communication as integrated into our social realities in such a way that enables us to understand the realities, as well as to participate in creating and changing them. (Jones 2013.)

Another significant difference from the previous communication model is the roles of the sender and receiver in the transaction model. The transactional model, unlike the transmission, suggests that communication is a simultaneous process; and both the terms “sender” and “receiver” are, therefore, changed into “communicator”. This is an important addition to the understanding of the communication study, because it illustrates “communication” as an active process. Each participant in the communication act is both a speaker as well as a listener and can be simultaneously sending and receiving messages. Therefore, all

communicators are mutually responsible for the success and effectiveness of communication. (Jones 2013.)

The transaction model also provides a more comprehensive understanding of **context** in communication. Context implies the environment in which communication takes place (Adler & Rodman 1997, p.5). **Physical context** consists of the environmental factors in a communication encounter, for instances the size, layout, temperature, and lighting of a space. **Psychological context** refers to the mental and emotional factors that occur in a communication encounter. Stress, anxiety, and emotions are just some typical examples of psychological influences that can affect our communication. Both negative and positive psychological states can make an impact on communication. (Jones 2013.)

As mentioned earlier, the transaction model of communication assumes that people build shared-meaning and shape realities in their communication. Hence, the transaction model also takes into consideration how social, relational, and cultural contexts construct and affect communication encounters.

Social context refers to either the stated rules or unstated norms that direct communication. When socializing into our various communities, people learn rules and gradually discern norms for communicating. Rules may be stated repeatedly, and there may be even punishment for breaking them. Norms are social conventions that people learn by frequent observation, practice, and trial and error. Although breaking social norms do not lead to punishment, it causes a social awkwardness that everyone wants to avoid. (Jones 2013.)

As norms and rules vary among places and cultures, **relational** and **cultural** contexts are also mentioned in the transaction model. **Relational context** involves the previous interpersonal history and type of relationship among communicators. It is certainly different to communicate with a stranger versus a long-time friend. Similarly, there are certain communication rules and norms that apply to a business partner relationship that are inapplicable to a brother-sister relationship and vice versa. Meanwhile, **cultural context** consists of various aspects of identities including race, gender, nationality, ethnicity, sexual orientation, class, and ability. An individual usually has multiple cultural identi-

ties that may influence communication. However, not all cultural identities are noticeably visible. (Jones 2013.)

In a nut shell, the complexity of the transactional model of communication is both considered as its strength and weakness. As this research studies the communications within a MNC, where there are multiple layers of existing contexts, the transactional model seems useful to provide a thoroughly deep understanding about communication process and all the related features.

3 Internal communications

3.1 Defining internal communication

In the existing literature, internal communication is sometimes mentioned under other alternative names, such as internal relations, internal public relations, employee communication, employee relations, or staff communication. However, internal communication is still the most widely used term. (Welch & Jackson 2007, p.178.)

For a better understanding of the nature of internal communication, some existing definitions of the term will be chosen to be reviewed. Frank and Brownell (1989) define internal communication as the communication transaction among individuals or groups, at different levels and in various specialized areas, that are aimed to design and redesign organizations, and to coordinate daily organizational activities (Denisova 2007, p.18). Nevertheless, Welch and Jackson (2007, p.179) criticize this definition to concern organizational communication as a whole rather than internal communication as a part of integrated corporate communication.

From another perspective, Cheney and Christensen (2001) suggest that the internal communication relates to employee relations, mission statements and organizational development (Welch & Jackson 2007, p.182). Correspondingly, Kalla (2005) views integrated internal communications as all formal and informal communication at all levels within an organization.

In a recent publication, Cornelissen's (2004) takes a simple perspective, focusing on techniques, to describe internal communication. Internal communication is stated to include all methods (internal newsletter, intranet) that a firm uses to communicate with its employees. This focus on tactics could be considered as lacking a sense of internal communication as part of strategic management. Notwithstanding, it particularly highlights the need to consider the media and message content involved in internal communication. (Welch & Jackson 2007, pp.182-183.)

In summary of all the mentioned theories above, internal communication can be generally defined as the communication flow between individuals or groups at all levels within an organization, using various methods in order to implement and develop organizational operations as well as enhance employee relationships.

3.2 Functions of internal communication

In the earlier days, Smidts et al. (2001) regard internal communication as a rather neglected management instrument. Likewise, Yeomans (2006) suggests that internal communication is paid quite little attention despite being a part of a corporate's strategic communication function. (Welch & Jackson 2007, p.178.) Fortunately, organizations nowadays have begun to dedicate the same kind of attention to the communication with their employees as they do with external clients.

Argenti (2007) argues that internal communication in the twenty-first century is considered to be more than methods, publications, and broadcasts that implement it. Internal communication involves building a corporate culture and even having the potential to drive an organizational change. Dolphin (2005) also supports this acknowledgement and further points out that internal communication assists the organization by securing the knowledge about the organization among its employees. (Denisova 2007, p.18.)

According to Erikson (1992), internal communication serves an organization with **five** different main functions. First, **work communication** is the necessary

communication for every employee to accomplish their daily tasks. Second, **news communication** involves informing the employees of the latest news and recent events in the organization. Third, **control communication**, is responsible for steering the company towards the goals, contains information of budgets, manuals for production, regulations and policies concerning the working environment. Fourth, **change communication** deals with extraordinary events that are not included in the regular news communication, for instance, changes in corporate goals or strategies. Fifth, **culture communication** is considered invisible, and it is shown in the company's viewpoint towards leadership, equality and other similar issues. (Forssberg & Malm 2001, p.27.)

Additionally, Larsson (1997) further suggests that an effective internal communication creates a feeling of belonging to the employees, which boosts motivation and satisfaction. Erikson (1992) agrees with this opinion by presenting some motives for a company to invest time and efforts in internal communication. Internal communication gives the employees a general picture of the organization; it creates unity among the employees regarding business goals and promotes delegation; moreover, in the end, it generates better performance and sustainability. (Forssberg & Malm 2001, pp. 27-28.)

3.3 Directions of communication flows

Within an organization, communication may occur in any of the **three** directions: downward, upward, or (laterally) horizontally (Figure 4).

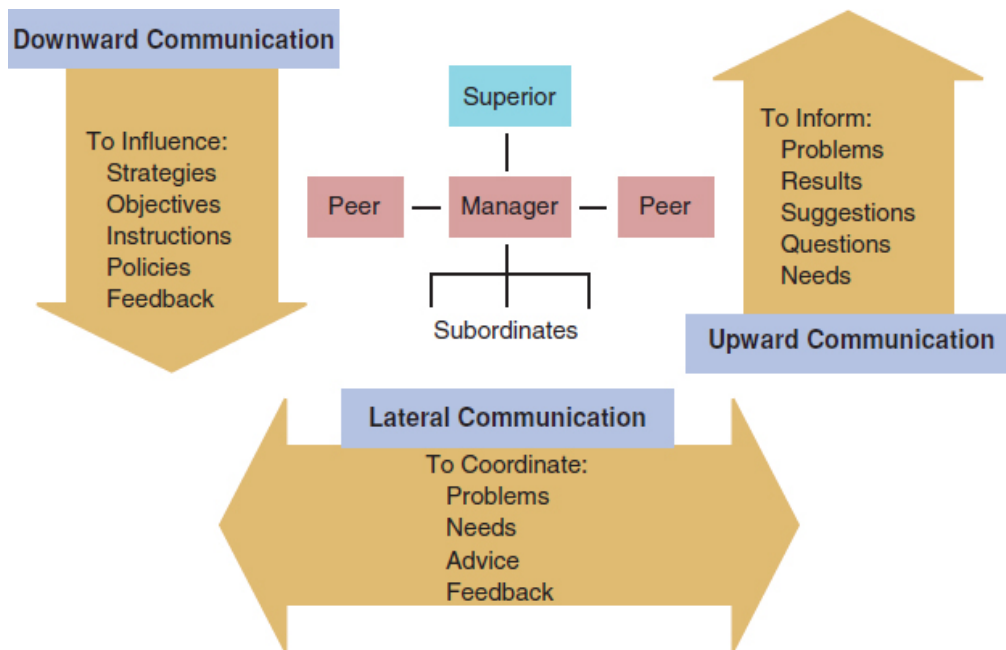


Figure 3. Directions of information flows in and around an organization (Schermerhorn et al. 2011)

Downward communication refers to communication from senior managers to junior managers and from junior managers to associates as well. Its function is to provide job instructions, information on organization policies, strategies, objectives, and performance feedback. Additionally, downward communication is frequently used to inform those at lower levels about the changes within the organization. (Hitt, Miller, Colella 2010.)

Sharing such information helps not only to reduce the spread of rumors and inaccuracies concerning higher-level intentions, but also create a sense of security and better involvement among receivers. Unfortunately, a lack of sufficient downward communication is often regarded as a management failure. When it comes to corporate downsizing, for example, employees may not believe what the management said, or feel uninformed about company plans, or they may complain that decisions were not well explained. (Schermerhorn et al. 2011.)

Contrarily, **upward communication** is the flow of messages from lower to higher organizational levels. As shown in Figure 4, it serves several purposes. Upward communication keeps higher levels informed of lower-level workers's

performances, problems arising, suggestions for improvements, and their feeling about the organization and their jobs. (Schermerhorn et al. 2011.)

Upward communication has historically been an issue in organizations owing to lower-level employees filtering information that goes up, consequently leaving higher-level organizational managers in the dark about what really happens in the organization. (Schermerhorn et al. 2011.)

Furthermore, upward communication may not occur in organizations where superiors are not interested in receiving negative feedback or where subordinates do not trust their superiors and even fear reprisals. Besides, upward communication can be costly to organizations, and it also requires the managers' time. In addition, upward communication seems to be rather difficult to manage in larger organizations, probably because relationships in large organizations are often more complex and formalized. (Hitt et al. 2010.)

Lastly, **lateral** or **horizontal communication** refers to the flow of messages at the same levels across organizations. In another word, lateral communication occurs when individuals having the same status communicate with one another in an organization. Lateral communication is considered important to promote collaborative environments in the new workplace. Inside the organization, employees must be able to communicate with others across departmental or functional boundaries and willing to listen to one another's needs as "internal customers". (Schermerhorn et al. 2011.)

As with the other vertical communication flows, the lateral communication is not without problems. There are four common issues that may negatively affect on the lateral communication within an organization, including inadequate rewards, competition, organizational conflicts, or an insufficient lateral understanding. (McClelland & Wilmot 1990, p.32.)

3.4 Responsibilities of managing internal communications

A small survey conducted among US companies in the 1990s displayed a diversity of possibilities in terms of the departments in which the internal communications function could be installed. The list included public affairs, corporate affairs/relations, human resources, finance, law, administration, advertising and marketing. (Smith & Mounter 2008.) In this section, some typical options on responsibilities of internal communication within an organization will be analyzed.

Internal communication department

A dedicated department would definitely be an ideal dream of every internal communicator. In dispersed organizations, there could be mini-departments or individuals taking care of internal communication. It is the classic business organization structure with teams working in conjunction with, and report to a central department or a director. (Smith & Mounter 2008.)

A dedicated department effectively enables other communication professionals in the organization to focus on their specialization – public affairs, media relations, community liaison. On the other hand, the stand-alone internal communications department also possesses an inherent weakness. An internal communication team or specialist could easily become isolated in the organization. They could be telling a slightly different story from other professionals, regardless of having excellent skills in web design and publication production. This problem is likely to occur when they have different line managers. (Smith & Mounter 2008.)

There is a certain need for an effective internal communication department to increase its credibility inside the organization. Many outsiders and a few insiders still do not understand that keeping a workforce informed is an important and rewarding job. When it comes to crisis, having a dedicated internal communications team is particularly useful, as they can assist the crisis management team with all the communication channels and vehicles available. (Smith & Mounter 2008.)

Public relations/corporate communication

The public relations, corporate communication, or external affairs department are usually the centre of communication knowledge in an organization. Thus, it is rather ordinary that some organizations favour internal communication installed inside or reporting to these functions.

Obviously, the downside of a non-dedicated team member is that internal communication may get squeezed into the little time left over from the competing demands of external communication. On the contrary, a positive point is that an internal communicator wearing an external hat can deliver consistent messages to both audiences more easily. Moreover, this would result in offering the types of credible publications, website, videos, etc. that interest their internal staffs in the same way as external clients. (Smith & Mounter 2008.)

Human resources

Human resources departments can sometimes be regarded as the mouthpiece of organizational management. When there is bad news to be informed on the job front, it is most likely coming from this department. (Smith & Mounter 2008.)

The HR team is usually responsible for drawing attention to the effects of legislation, which is designed to acknowledge the interests of employees from various cultural backgrounds and/or with disabilities. (Smith & Mounter 2008.) Specialists in the field are supposed to have a high competence of communicating with a very wide range of people. These are skills that the every internal communicator would find advantageous to achieve more effective communication.

The specialists within HR department are frequently involved in career development and staff training. Delivering those packages rarely falls to the responsibilities of internal communication specialist or PR professional. (Smith & Mounter 2008.) Therefore, to some extent, the HR department is involved in internal communication or assists the internal communication team to implement it.

Marketing

A few years ago, there was an unfamiliar phrase in marketing circles – “internal marketing”, which seemed as if the marketing department had regarded internal communication as a part of its duty. After all, they could be well able to manage their sales team and much of that supervision would absolutely have required qualified communication skills. (Smith & Mounter 2008.)

The marketing department has more of an external focus than human resources and therefore relates more to the PR. The main disadvantage of this option is the limitation of time marketing practitioners spent on internal communication, which might be even less than the PR department do.

On the other side, the internal communicator would benefit from a closer connection with the marketing function. Staff can be interested in the results of recent campaigns and in new or renewed contracts, as their livelihoods depend greatly on them. (Smith & Mounter 2008.)

IT and knowledge management

Technology is a powerful tool, which has transformed internal communication enormously in recent years. Getting to grips with HTML and its related issues is a huge challenge to many communicators' life, which can be handed over to the IT department (Smith & Mounter 2008).

Knowledge management involves persuading staff to share their knowledge among their colleagues. This may lead to an unmanageable mass of data whereas data are not precisely information, and information does not absolutely convert to knowledge. Database-generated websites are actually advantageous to control the information output, however, they may omit the basic principles of effective communication. (Smith & Mounter 2008.)

In general, every option above has its own strengths and weaknesses. Depending on the size and structure of the organization and the demands of internal communication, an organization may select the most appropriate department to take care of their own internal communication to achieve the best results.

4 Internal communication channels and activities

As mentioned in the previous chapter, an enormous change in organizations and in daily life in recent years has definitely been the explosion in new and modern communication technologies. There is a gradual movement from the world of the telephone, e-mail, photocopying, and face-to-face meetings into the world of Skype, twittering, blogs, wikis, video conferencing, net meetings, and so on. These changes are generating more collaborative environments and are putting traditional notions of hierarchy and structure in organizations in challenges. (Schermerhorn et al. 2011.)

4.1 Formal & informal communication channels

Schermerhorn et al. (2011) argues that organizations are designed according to bureaucratic organizing principles; which means jobs are arranged in a hierarchical structure with specified job descriptions as well as formal reporting relationships. Nevertheless, much organizational information is also passed along rather fluidly, through various informal communication networks. These illustrate two kinds of information flows within an organization: formal and informal communication channels.

Formal communication describes organizational communication taking place within prescribed work arrangements (Kaul 2011). Since formal channels are mostly recognized as authoritative, they are typically used for communication of policies, procedures, and other related official announcements (Schermerhorn et al. 2011).

On the other hand, **informal communication** is organizational communication not relying on the organization's structural hierarchy of authority. When employees have a talk with one another in the free time over lunch, it is considered as informal communication. Informal communication serves two main purposes in an organization. These are allowing employees to satisfy the needs for social interaction, and improving organizational performance by offering optional and more efficient channels of communication. (Kaul 2011.)

A universal informal communication channel is the **grapevine**, also known as social network of friendships and acquaintances through which rumors and other unofficial information are regularly passed from person to one another. Grapevines are advantageous of transmitting information quickly and efficiently. The primary disadvantage of grapevines is conveying incorrect or untimely information. Rumors could be very dysfunctional, both to employees and organizations. One of the best ways to prevent rumors is to ensure that the key persons in the grapevine have the accurate information. (Schermerhorn et al. 2011.)

4.2 Communication channels system

Face to face

Formal face-to-face communications take place in many forms, such as big or small meetings, management conferences, team meetings, team briefing, performance evaluations, organization breakfast (or lunch) sessions and so on. Furthermore, the manager or supervisor's "walking around" is also internal face-to-face communication as he or she is taking the occasions to answer their employee's questions. (Holtz 2003, p.78.)

Face-to-face is obviously the most traditional and potentially the most effective form of internal communications. By its very nature, it is two-way, encouraging the most response, reaction and motivation to action, from both sides. Within it, as well as with good will on all sides, participants can ensure they understand and have been understood. Hence, face-to-face communication is clearly the form of communication that most people prefer, not only to hear from their manager or supervisor what is taking place in the organization, but also to make known to management their feelings and opinions. (Farrant 2003, p.50.)

Meanwhile, Holtz (2003, pp.67-68) provides another way of explanations for the preference of face-to-face. According to Holtz, most people are fully aware that much of the information gained during communication is derived from many nonverbal cues. Posture and body language, including tone of voice, facial expressions, and so on all express meanings at least as much as the words them-

selves or even more. Without the face-to-face element of communication, information recipients are left to interpret an incomplete message, with no clues from facial expressions or tone of voice.

However, Holtz also mentions the fact that face-to-face communication, despite its essential characteristics, unfortunately has fallen into disuse because of the recent explosion of online communication tools. It is easier to send everyone an e-mail message rather than to arrange a group meeting. Professional communicators often do not make an attempt at maintaining a balance of face-to-face communication at workplace, because either they are fascinated with the new technologies or they have never felt comfortable with face-to-face communication. Indeed, not everyone is a skilled face-to-face communicator. (Holtz 2003, p.68.)

Moreover, consistency is tricky, too. It is not only impossible to guarantee that two people deliver a face-to-face message in accurately the same way, but it is also difficult to make sure an individual to deliver a message the same way twice. (Holtz 2003, p.68.)

When an organization feels its internal communications needs improving, there may be insufficient face-to-face dialogue, or the communication between managers and their people is not successfully meeting people's needs. (Farrant 2003, p.51.)

Print

Print publications for internal communications come in various shapes and sizes, almost as diverse as outside work-life. Different types of publication serve specific purposes for different readerships within the organization.

Many organizations still produce management publications distributed in print. These management publications can be a review from top management, or local operational information with less detailed context. The content often contains news and information in terms of the world economy, national economies or the relevant industry and how the organization can be affected. Such publica-

tions, with their complicated and perhaps controversial content, are not the appropriate means to spread urgent news widely. (Farrant 2003, p.36.)

For wider coverage, organizations regularly make use of newsletters and company newspapers. The content inclines to be a blend of non-urgent organizational news and employee social news. (Farrant 2003, p.36.) Besides, there are other irregular publications produced on an as-needed basis, one important of which is the employee annual report. From the employee annual report, employees know how their contributions affect the company's performance. In addition, employees also gain a better understanding of what the company expects their employees to accomplish in the coming year. (Holtz 2003, p.91.)

There are several reasons why people keep printing things out rather than reading them from the screen. Firstly, print is portable. It enables people to share the information with family or domestic partners or to take along with their travel. For lengthy materials, employees are more inclined to read them in print. Print is inherently more readable, which apparently becomes the second reason. Thirdly, print is undeniably permanent. It will stay the same even after ten years or more. Fourthly, the authority of print brings to documents an additional tier of credibility. Fifthly, another reason for printing documents is the desire to mark, underline and make note on the texts. These can be done most easily with print. Finally, anyone able to read can access print, regardless of having any devices or Internet connection. Print provides great accessibility for readers. (Holtz 2003, pp.79-83.)

On the contrary to those strengths, print also contains numerous weaknesses. One of the main weaknesses is that print is a passive communication channel. Readers are unable to interact with print beyond turning pages. Moreover, print is also considered as a single medium. It is limited to text and still pictures, which may seem boring. Frequently, sound and moving images make information clearer and more compelling. (Holtz 2003, p.83.) Another disadvantage is that people sometimes tend to skip reading prints due to their length.

Notice-boards

Notice-boards are an obviously primitive but regularly misused medium for communications. The most common danger is allowing boards to be covered up with uninteresting or out-of-date materials. It is crucial to manage what goes on to the boards and necessary to appoint responsible people to remove out-of-date or unauthorized notices (Amstrong 2006, p.823).

On the other side, notice-boards are a fast and reliable way to reach employees since notice boards is possible to be mounted in sites of maximum exposure. The best notice-boards frequently have plenty of space around them, and provide not only official notices but also social and other notices to staff members. Even in organizations where, using e-mail is almost universal, notice-boards can still display notices whose content does not require face-to-face communication, but merits to be displayed longer than usual e-mail stays on the screen. Notices put on boards need to be kept simple, as readers are not going to stand in front of it for long. (Farrant 2003, p.34.)

Multimedia (Broadcast, video and audio)

Broadcast, video and audio represent indirect channels of communication. The moving image and sound are absolutely more involving than static print (Smith & Mounter 2008). The most important and efficient use of these media has always been in the employee communication and training. Evidently, video and TV are capable of delivering consistent messages powerfully and immediately. In addition, visual multimedia allows the top management to be seen by a large number of employees. Additionally, the production of the programs themselves, on condition that they involve enough people, can stimulate interest and enthusiasm. (Farrant 2003, p.38.)

However, the cost of video production is a substantial issue to many organizations. Besides, all audiences are TV literate and are not likely to accept watching programs of less than ordinarily professional production standards. Several companies have selected the production of audio programs, as an alternative to video. A significant advantage is the universal availability of the audio medium,

with many listeners at one time. Most customary audio programs are magazine style, presenting reports, interviews and discussions. (Farrant 2003, p.38.)

Internet-driven channels

Organizations are increasingly relying on the Internet to communicate information, particularly in workplaces where all or most of the employees have access to an Internet-connected computer. The huge advantage of online communications is that they can be transmitted rapidly to a massive audience.

- ***Web-sites***

As a matter of fact, it is hard nowadays to find an organization, whether small or large, profit or non-profit, that does not have at least an official web-site. The web-site makes no particular distinctions to the readers of it, thus provides credible and consistent information for all stakeholder groups. The people working for an organization are seemingly the most dedicated users of the organizational website. (Farrant 2003, p.38.)

- ***Emails***

One of the greatest benefits of e-mail is that it can target particular groups of people, and can also carry out mass mailings easily. Using e-mail is definitely fast and rather confidential. It contains the possibility of response from individuals, however, similar to notice-boards, messages in an e-mail need to be factual and concise. If possible, internal communications practitioners should develop guidelines to reduce e-mail overload, a serious problem in most organizations. (Farrant 2003, p.35.) This problem may be time-consuming and delay the decision-making process.

- ***Intranet***

Corporate intranets have undoubtedly generated new avenues and greater possibilities in internal communications, as another available mechanism to communications professionals.

Intranets are regarded as a repository of information and opinions – a giant notice-board. Their search functions enable users to find their way rapidly to the sort of information or particular facts they need. Chat rooms provide employees with spacious forums for discussion. (Farrant 2003, p.36.)

Holtz (2003, p.97) suggests the more comprehensive advantages of Intranets, such as improving access and speed of delivery, going global, inspiring collaboration and interaction, integrating information and transactions, and lastly delivering multimedia.

Despite excelling other channels in various aspects, intranets are admitted unable to replace those traditional methods absolutely, especially face-to-face communication and other indirect media, where a relatively rigorous editorial process is applied (Farrant, Holtz 2003). Besides, information overload is also the common issue that occurs in Intranets. In addition, older people and those with sight problems will definitely have more difficulties when using Intranets (Smith & Mounter 2008).

▪ ***Social media***

Due to the development of social computing, it is now possible to move from a rather static and progressively unused range of documents to a much more conversational communication style (Wright 2009, p.427). Li and Bernoff (2008) argues that recent developments such as social media are increasingly pushing web-sites even further beyond their original role of web presence to genuinely interactive media (Waters & Lemanski 2011).

There are only a few social media tools that can be integrated into the corporate Intranets such as wikis and blogs. However, employees may also choose from a diverse range of social media networks existing outside the extent of the Intranets, including Facebook, Twitter, Youtube, LinkedIn and so on.

The potential effectiveness of social media to the internal communications is enormous. Social media is a relatively powerful tool to stimulate knowledge sharing among employees within the organization. When these tools, and especially the behaviours they encourage, become more commonplace in an organi-

zation, they will gradually shift the process of discovery, creation and movement of knowledge of the employees (Wright 2009, p.427).

Unfortunately, this strength of social media is still unseen and undervalued by many companies. In addition, many people prefer to use social media for their personal networks rather than professional purposes.

Events

Establishing a connection between company messages and employees' actions is sometimes a major challenge. Mass meetings of all employees can also be determined as events. Most of the events are organized for the purposes of good news celebration or crucial announcements. Events help to emphasize the key message in the groups and connect people from different geographical locations. (Smith & Mounter 2008, pp.88-89)

Furthermore, Sports, quizzes, games and other occasional events are regularly efficient methods to build corporate long-term relationships with external customers as well as internal members, which is a so called "social glue" (Smith & Mounter 2008, pp.87-88).

Environment

There are certainly other ways in which an organization communicates intentionally or unintentionally with its employees. Nonverbal communication can happen through the physical arrangement of space or through workplace designs, such as office layouts. For example, figure 5 illustrates three different office arrangements as well as the messages they may convey to visitors (Schermerhorn et al. 2011).

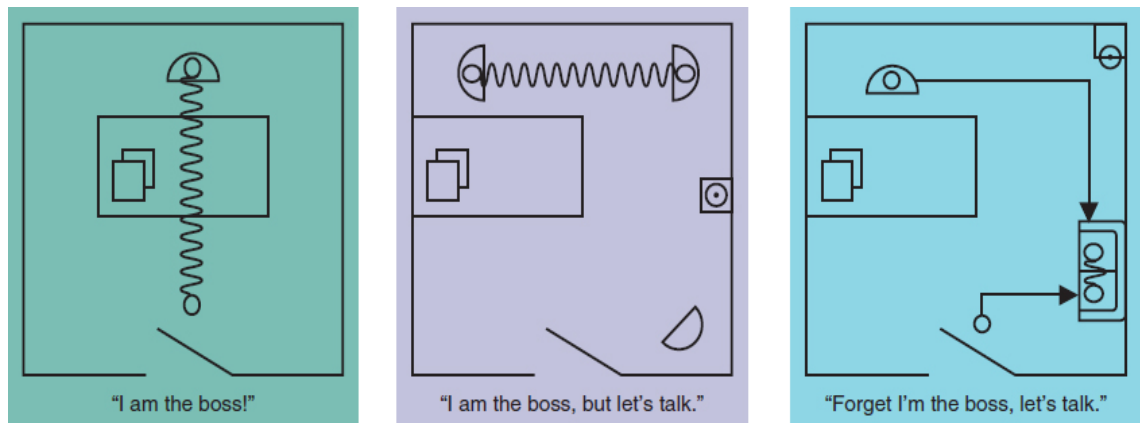


Figure 4. Furniture placement and nonverbal communication in the office (Schermerhorn et al. 2011)

Employee feedbacks & surveys

In several organizations, employees are also able to express their thoughts and opinions through feedback or employee surveys. Publishing the results of employee surveys is likely to make them become a genuine channel of upward communication (Farrant 2003, p.38). Employee surveys are particularly useful for managers to know employees' evaluations on a specifically current situation or their contributory ideas for improvement. Employee surveys and feedbacks are conducted periodically or whenever the need arises.

4.3 Selecting appropriate communication channels

Channel richness determines the capacity of the channel to transfer information. As demonstrated in Figure 6, the richest channels are face-to-face communication. Conversely, the leanest channels are reports, notices and bulletins. With more complex and open-ended messages, richer channels are essential to achieve effective communication. Leaner channels, contrarily, work well in dealing with more routine and straightforward messages, such as a meeting announcement. (Schermerhorn et al. 2011.)

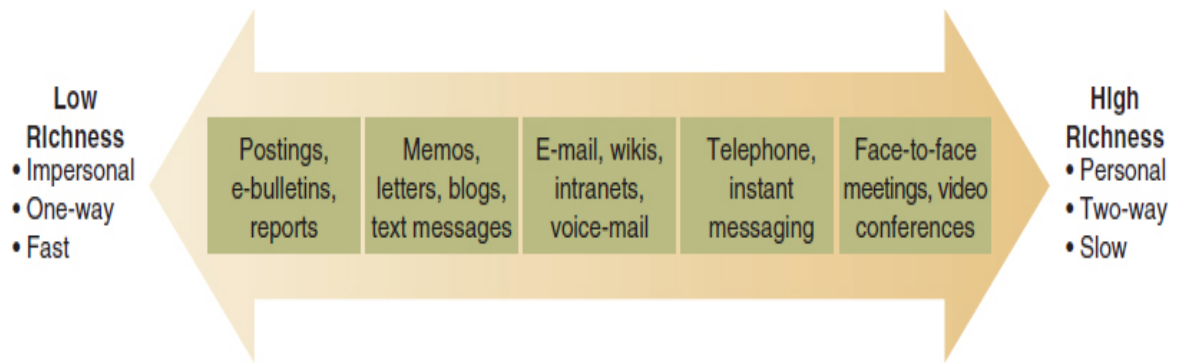


Figure 5. Richness of communication channels (Schermerhorn et al. 2011.)

Communication channels should never be selected based solely on their costs. The most important criterion is their efficiency. The value of successfully achieving a bottom-line business goal may far outweigh the expenses associated with implementing and running the communication vehicles. It is essential to have a deep understanding of each channel's strengths and weaknesses, and accordingly, determine where these channels fit in a strategic internal communication process. (Holtz 2003, p 67.)

5 Internal communications in the MNC context

5.1 Defining a MNC

There is no widely acceptable definition of a multinational corporation, although numerous definitions have been proposed for years, using different criteria. Some scholars suggest that a multinational firm is one having its business conducted or ownership held across a plenty of countries, or a firm which is structured and organized into global product divisions. (Ajami, Cool, Goddard, Khambata 2006, p.6)

Other theorists, instead, choose to examine particular ratios of foreign business activities or foreign assets of a firm. Under these criteria, a multinational firm is determined as the one in which a partial percentage of the total earnings, assets, or personnel of a firm come from or are distributed in foreign locations. (Ajami et al. 2006, p.6)

Another definition of MNC is based on the perspective of the corporation. This definition indicates that if the management of a corporation has the certain perception that the parameters of its scope of operations and markets are multinational, then the firm is actually a multinational corporation. (Ajami et al. 2006, p.6)

The availability of various definitions for multinational corporations is generally not surprising. Multinational corporations have many different types, whereas most definitions are only able to characterize one particular type. Moreover, there are so many possible ways that a corporation can be structured and can transact its business across national borders. Hence, it is considerably impossible to adequately describe all forms of multinational corporations in one definition. (Ajami et al. 2006, p.7)

5.2 Communicating with a diverse workforce

Due to the multi-contextual and geographically dispersed nature of the MNC, it is an undoubted fact that employees are distinct from one another in terms of various attributes. This fact generates workplace diversity. Previous studies have addressed that the diversity may influence communication and knowledge flows within the organizational networks in many significant ways (Kalla 2006, p.46).

Diversity initiatives involve commentary on demographic differences and distinctions in perspectives among cultural groups. Diversity and inclusion demonstrate two related organizational approaches to diversity in the organizational workforce. Woods (2002) suggests an explanation of these two terms as follows: diversity is about people. Inclusion, on the other side, is about organization. Frequently used interchangeably, diversity and inclusion challenge communicators to respect diverse populations by managing numerous organizational strategies that adopt multilingual approaches and multiple media. (Gillis 2011, p.207.)

Diversity management particularly emphasizes the necessity of paying attention to multiple attitudes and cultural difference as which considers communication

preferences. Hofstede (1980) notifies that there are plenty of cultural dimensions that may affect MNC operations. His framework was later adapted by Bento and Ferreira (1992) and presented as the following cultural dualities:

- equality versus inequality
- certainty versus uncertainty
- controllability versus uncontrollability
- individualism versus collectivism
- materialistic versus personalization (Amstrong 2006, p.103.)

The outcomes of strategic diversity management include the integration of diversity into work processes, outstanding innovation and creativity, organizational flexibility, and fairness. Additionally, the development of inclusion initiatives helps to facilitate employee participation and cooperation in the decision-making process. (Gillis 2011, p.208.)

The concept of communicating with a diverse workforce is the research result of Thomas and Ely (1996) and Senge (1990). Communicating with a diverse workforce fosters the connection between organizational learning and diversity to corporate strategy, markets, processes, and culture. This provides the organization an access to greater pools of talent and success in the marketplace. (Gillis 2011, p.208.)

However, Goetz (2008) confirms that for many companies, diversity represents a major change for communication programs. In the environment of mergers and acquisitions, Goetz describes that companies are confused to balance corporate cultures and diverse national cultures, resulting in challenges of both. (Gillis 2011, p.209.)

According to Gillis (2011), diversity programming and communications should begin with recruitment practices and continues through the employee management by promoting awareness and education. Gillis also presents the following list of common organizational strategies and tactics for organizational diversity communication:

- Diversity training

- Mentoring programs
- Employee resource groups
- Diversity task forces, committees, and advisory boards
- Diversity annual reports
- Employee network support groups (pp.210-212.)

5.3 Internal communication barriers in a MNC

In the complexity of the diverse workforce of a MNC, internal communications have to encounter more barriers than those in a domestic organization.

Information overload

In present-day organizations, managers and employees of MNCs are regularly burdened with more information than they are actually able to process.

This problem occurs for three reasons. Firstly, MNCs face greater levels of uncertainty due to changes in the external environment in multiple locations, thus, they need to obtain more information to minimize that uncertainty. Second, the increasing complexity of tasks and MNC structures generate a desire for more information. If a MNC employ more specialists to provide the needed information, it will, of course, place greater information-processing burdens on other employees. Third, rapid developments in technology obviously increase the amount of information available. (Hitt et al. 2010.)

When people are overloaded with information, they definitely cannot process all of it. Instead, they may prioritize which important information to handle while the rest of the information is ignored. Selecting only a part of available information for use, nevertheless, can result in imprecise or inadequate communication. (Hitt et al. 2010.)

With the advanced development of technology, there are two common overload problems: forwarding frenzies and spamming. A common behavior is to forward messages to someone who might not have even the remotest interest. Moreover, a recent study reports that the amount of spam with which people must deal at work is rising at an alarming rate. (Hitt et al. 2010.)

Many MNCs are trying to solve this overload by adopting newer, web-based interactive technologies for their internal communications. These consist of blogs, wiki sites, and social networking sites which allow messages to be posted in one place, thus avoiding redundancy. (Hitt et al. 2010.)

Information distortion

It is common that information is misrepresented, either intentionally or unintentionally. Unintentional distortion can occur due to honest mistakes or time pressure. Conversely, intentional distortion is likely to happen when there is a competition between units or departments in an organization. (Hitt et al. 2010.)

Departments usually have to compete for scarce organizational resources in their operating budgets. Hence, they may keep the accurate information for themselves or distort the information in order to place their competitors at a disadvantage. This is certainly not a healthy situation for any organizations. (Hitt et al. 2010.)

Distortion of information may also occur when a subordinate has private information unknown to the manager. For instance, associates can misrepresent information about the real travel expenses. (Hitt et al. 2010.)

Specialty area jargon

Another problem in large, complex organizations as MNCs concerns the increase in numbers of specialists. Specialists are rather knowledgeable in their own fields. However, in other areas, they often have limited understanding. Additionally, they regularly use plenty of jargons. (Hitt et al. 2010.) Therefore, it could be challenging for two specialists in different fields to communicate effectively with each other since they may use different terminologies.

Time pressures & time differences

In most organizations, work needs to be accomplished before deadlines, which results in time pressures and constrain for an individual's ability to communicate. Under time pressure, people sometimes do not carefully compose a message before sending it. Besides, the pressure of a deadline frequently does not

allow time for feedbacks, thus, the sender may not know for certain whether the receiver precisely perceived the message. (Hitt et al. 2010.) In addition, time differences needs taking into particular consideration especially on attempting to set up international video or audio conferencing (Smith & Mounter 2008).

Cross-cultural barriers

As discussed in the previous section, the diverse workforce of MNCs definitely increases the amount of cross-cultural communication at a workplace. Communication problems may cause many expatriate managers to fail in their international assignments, which consequently results in the financial losses of MNCs.

Cross-cultural barriers include a lack of language fluency or cultural fluency. Although English is widely used for business around the world, the potential of language barriers still exists in cross-cultural communications. Communication problems may occur when one or more parties to a conversation cannot speak the chosen language as fluently as others. (Hitt et al. 2010.)

Furthermore, when messages arrive at a foreign unit of a firm in the local language, without sufficient knowledge of that language, troubles may ensue (Hitt et al. 2010). Moreover, the language barrier also requires MNCs to pay a greater attention to the translation of corporate materials into a foreign language, so that the meanings still remain unchanged.

However, language fluency is just one dimension of cultural fluency - the ability to determine, understand, and apply cultural differences that affect communication (Hitt et al. 2010).

Poor or wrong choice of channels

As presented in the previous chapter, every communication channel has its own strengths and weaknesses. Choosing the wrong channels definitely results in the failure to deliver the messages and inefficient communication among employees in an organization. In the MNC context, communication channels are even required to be more carefully planned and implemented in order to suit a diverse workforce. (Schermerhorn 2010.)

Network breakdowns

Breakdowns in the communication network regularly occur in MNCs since too much information flows through those networks daily. Various factors can interrupt the information flows. For examples, mail can be misplaced, or messages might not be received by targeted people, etc. Larger organizations as MNCs usually have more issues because the information must flow through more people, increasing the possibilities to be transmitted imprecisely at some point. (Hitt et al. 2010.)

Breakdowns normally involve the malfunction of technology. Hence, it is important to manage strategically communications technology as well as the information exchanges they support. (Hitt et al. 2010.)

6 Methodology

The research presented in this dissertation was commissioned to be conducted within one certain organization, and due to the nature of the study, solely qualitative method was applied for data collection. In order to present the research method in a logical manner, this chapter consists of three main sections. First, the case study setting is generally described. Next, the data collection is illustrated with an emphasis on the qualitative methodological approach. Finally, issues concerning the validity and reliability of the study are examined.

6.1 The case study

Case study is described in Robson's (2002) words as "a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple methods of evidences". The case study strategy is considered appropriate for this study, since the researcher wishes to acquire a broad understanding of the contexts of MNCs and the processes of internal communication being enacted in these contexts (Morris and Wood 1991).

As mentioned above, a single case MNC is researched and concerned as a whole in this study, however, the researcher also examines logical sub-units

within the organization in order to gain more representative results. Accordingly, an embedded single case design is adopted. (Yin 2003, Saunders et al. 2009.) This particular single case company was selected due to its global presence, and more importantly, it provides the researcher an opportunity to observe and analyse the contemporary phenomenon of integrated internal communication in real life context.

6.2 Data collection

The majority of secondary data were collected from books and journals published in the recent ten years. The primary data for this research was mainly collected by qualitative semi-structured interviews. In addition, the findings gained from these primary data were supported by observation and other discussions with key informants.

The qualitative method is the proper data collection method, because this research is concerning non-measurable, non-numeric issues. Moreover, the study aims to find answers to "how" or "why" questions, as well as meanings and reasons behind the issue. (Proctor 2005.) This choice of methodology makes this study become a "mono method" research (Saunders et al. 2009).

Observation frequently took place during the interviews at the case company. Moreover, several discussions with the human resource manager, internal communication executive and receptionist of the case company were noticeably beneficial. These informants are the key people who facilitate access to people and information within the case company. Not only do they understand the case company well after many years experience, but they are also very knowledgeable about the research area. Consequently, the key informants were willing to provide additional insights, which helped the researcher contextualize the data more easily and promptly.

The specific purposes of the qualitative interviews were to verify the relevant knowledge based on academic research, to gain deeper understanding of the communication culture, and to assess the current communication situation of the case company.

The semi-structured interviews were conducted with ten employees working at Outotec Filters, Lappeenranta in June 2013. There were nine single (one-to-one) interviews and one group interview. The sample was the representatives of both white-collar and blue-collar workers in the case company.

The list of interview questions was planned and formulated in advance, but varied from interview to interview depending on the interviewees' backgrounds or the flow of conversations. Face-to-face contact and semi-structured discussion enabled the interview context to be more flexible and provided possibilities for interviewees to give further comments on the research area (Saunders et al. 2009).

The language used in all single interviews was English. In the only group interview, both English and Finnish were used, with the attendance of the HR manager as the translator. All of the interviews took place at the case company and each one lasted from 40 minutes to more than one hour. The researcher took notes during or after the interview, and marked all the reactions of interviewees to the topic and certain questions. Furthermore, permissions for audio-recording the conversation for transcribing and analysing afterwards were granted in advance by all interview participants.

6.3 Validity and reliability of the study

Validity

Validity implies whether the findings are actually about what they seem to be about (Saunders 2009). This term relates to what degree the respondents have understood the interview questions.

The construct validity in this research was addressed through a careful design of the interview questions. The expressions of the interview questions were kept short and simple, containing common and familiar words instead of academic terminologies, so that the respondents knew what phenomena was referred to. Moreover, during the interviews, the researcher could provide additional clarifications if the respondents had difficulties in understanding the question or spe-

cific terms. Besides, various sources of evidence were used, including recorded interviews, observation and discussion with key informants.

Reliability

Reliability determines the degree to which the data collection techniques or data analysis procedures will provide consistent findings (Saunders 2009). In this study, the reliability was achieved by the description of qualitative data collection procedures in order to make it clear to the researcher and others how the interviews were conducted. In addition, reliability was also obtained by consistently explaining the themes of different interviewees by the researcher as the single interviewer.

7 Internal communication in Outotec Filters

7.1 Company overview

Outotec is a global technology company with headquarters located in Espoo. The company is a globally leading provider of technology solutions and services for the metal and mineral processing industries, the energy industry, chemical industry and industrial water treatment. (Outotec's website.)

In October 2009, Outotec launched a takeover bid for industrial filter maker Larox, headquartered at Lappeenranta, Finland (Jessop 2009). At present, Lappeenranta office (**Outotec Filters**) is the main location and center for Outotec filters and filter services

Outotec is a MNC operating in 26 different countries and continuously launching more new operations. The total employees of Outotec reached 4,805 people at the end of 2012. In addition to own employees, another approximately 660 full-time equivalent contracted professionals work for Outotec in project execution and services. Nearly half of Outotec's employees work in Europe; however, Outotec has operations and employees in every continent. (Outotec's website.)

7.2 Interviewees' profiles

As mentioned previously, ten employees working at Outotec Filters were interviewed. Four of the employees are male, and six of them are female. Their years of working in this company range from 10 months to 30 years. Since there were no expatriates presently working at Lappeenranta office, all of the interviewees are Finns.

Three employees are blue-collar workers, while the rest are white collars. They work in different departments, including administration, manufacturing, marketing, human resources, and logistics. The variety in the interviewees' profiles naturally provided a diversity of viewpoints in the collected data.

7.3 Responsibilities for internal communication

Prior to the acquisition, the company had an internal communication specialist. After becoming Outotec Filters, the headquarters of Outotec in Espoo did not see the needs of having an internal communicator in Lappeenranta office.

Gradually, the needs started to rise, the headquarters then appointed the local CEO assistant to handle internal communication at Outotec Filters. She is the only person in Lappeenranta office, who has the authorization to publish information on the corporate Intranet (InSite). However, internal communication is just a part of her daily tasks, together with secretarial and travel issues.

All the interviewees representing the blue-collar workers admitted that they did not know who was responsible for internal communication at their workplace. Three employees supposed that the HR department was taking care of it. Noticeably, one in four people had the accurate answers, and they also commented that the CEO assistant was more likely to be the key informant rather than the communicator.

Whenever having problems with internal communication, employees at Outotec Filters tend to seek help from their colleagues, co-workers, supervisors or IT specialist rather than contacting the internal communicator. Most of the participants agreed that the company receptionist was an important "contact" for in-

ternal communication at Outotec Filters. Frequently, the staff have come to see the receptionist when they have any questions. If the receptionist is unable to answer, she knows the proper person in the organization that should be contacted.

The responses of the interviewees indicate that the role of the main person in charge of internal communication in Outotec Filters, is not very visible to everyone in the organization, especially the blue-collar workers. Her role as the internal communicator can be blurred by other administrative tasks as the CEO assistant. Another reason that blue-collar workers pay little attention to the internal communicator can be their usual access to the information published by her on the Intranets, which will be discussed further later.

7.4 The internal communication channels in Outotec Filters

The current internal communication system in Outotec Filters is supported by multiple channels. According to the interview results, blue-collar workers have fewer options for communication channels than white-collar workers.

Face to face

The traditional face to face is still the mostly-used channel of Outotec Filters employees for communication. Both white-collar and blue-collar workers prefer to use face to face communication for their daily work due to its convenience and effectiveness. Half of Outotec Filters staffs interviewed admitted that they frequently attended more than five meetings per week, which is quite plenty.

Most of the meetings were considered informative and necessary. In those meetings, attendees contribute ideas and opinions actively, and questions are answered immediately or later. Meanwhile, a small number of meetings were criticized to be held badly.

"Some meetings are important and I was glad to be present, but some other meetings contain quite boring and nonsense stuffs. At present, we have a lot more meetings than when we were still Larox, however, not many decisions were actually made after meetings. Some meetings also did not give us new or essential information, just for chit chat. Sometimes I have no idea why I was invited..."

Meetings are rather time-consuming to the employees. When meetings are inefficient, the waste of time even becomes abundant.

"...Sometimes I have to skip lunch, running from one meeting to another. After spending a whole day in those meetings, then I have to start my real work. I usually stay in the company till the evening to complete my tasks as I have no time for it during the day."

Prints & notice-boards

Prints and notice-boards in Outotec Filters are mainly used by blue-collar workers in the factory, since they have limited access to the Internet. Additionally, important news or events are frequently informed in prints. Outotec Filters employees agreed that prints made the information catch their attention easily and helped them to remember better. Workers of middle-age and over tend to use larger number of prints than the younger. Outotec is supporting the idea of "paperless office", hence, the number of internal prints are expected to decrease in the future.

Multimedia (video and audio)

As a MNC, Outotec employees also have to deal with geographical distances and time zone differences. Therefore, the video conferences and audio calls are favoured. Unfortunately, there is only one video conference room at Outotec Filters, which is regularly fully-booked. Instead, the employees use teleconferences due to their larger convenience and availability.

Internet-driven channels

Emails are becoming indispensable for Outotec white-collar workers. They send and receive a huge number of emails everyday. Whereas, the use of emails by the blue-collar employees is not that significant. Blue-collar workers at Outotec Filters are provided with group email addresses. Notwithstanding, email addresses are frequently regarded as a personal contact. The blue-collar workers usually feel uncomfortable when sharing email contacts with other people, as a result, they denied logging into these group email addresses.

Employees at Outotec Filters are using two intranets concurrently: the old Larox Intra and the new InSite. The Larox Intra supports local communication in Lappeenranta, while the InSite handles global communication of the corporation. The InSite, therefore, contains a huge amount of information. However, the information is not classified properly into topics and themes. According to the internal communicator, it is technically impossible at the moment.

Therefore, it is not surprising that seven of the interviewees complained the Insite was too complex and difficult for them to use.

"It even took me two hours to find the information I need from the InSite. Many times I fail to find the information as it consumes too much time... Unfortunately, we have not received any training how to use the Insite efficiently since the Insite was implemented. "

The remaining interviewees also confirmed that they had not been trained by the corporation how to use the InSite and how to search for information efficiently. When the InSite were updated recently and many changes were made in this Intranet, Outotec employees in Lappeenranta had no other way but to learn and figure these out by themselves.

Moreover, the blue-collar workers admitted they rarely use the Insite. Most of blue-collar workers lack English language skills, while the information on the InSite is published in English. Another reason is that blue-collar workers do not have an individual computers in the factory. Instead, they use stationary computers shared with others. Hence, the time for them to use the Internet at work is quite limited.

The chat tool is particularly preferred by white-collar workers to ask and answer quick questions. In addition, the most popular social media that Outotec Filters employees utilize is LinkedIn. However, the role of social media in the company's internal communication and the number of users are not so vibrant.

Events

Outotec Filters puts a great effort to organize occasional events for their employees. Some big events such as Christmas party and summer BBQ have become the company's traditions. All the interviewees agreed that these events

offered them good chances to communicate and understand their colleagues better in a relaxed atmosphere. Events at Outotec Filters regularly attract a high number of participants and have been an excellent communication channel for a long time.

Environments

Most of the interviewees responded that they worked in open-offices together with their colleagues. To those employees, open-offices help them communicate more easily. However, keeping confidential information in open-offices is more challenging than in private offices. Open-office workers usually reserve another room to work in when they need a higher concentration or handle confidential information.

Employee feedback & surveys

Three times per year, Outotec employees have performance development dialogues (PDD). This is regarded as the official feedback from the employees to their corporation. According to Outotec, 95 percent of Outotec employees had PDD in 2013. Three of the interviewees supposed that the main purpose of PDD was to decide rewards and bonus for employees. Notably, one participant claimed that PDD was such a waste of time.

All of the interviewees shared the same opinion that feedback was necessary in order to improve their work. Some employees received feedback daily from supervisors and colleagues via face to face or emails. On the other hand, some interviewees complained that the feedbacks are insufficient to them.

“After a project, I expected my supervisor to comment something, negative or positive, but I usually receive nothing. Finnish people are not used to giving feedbacks. Silence means good news, nothing needs to be improved.”

“With my team, I often try to find some positive things, even very small ones, to motivate other people to the next level. Besides, I also note what I think we could improve. However, it seems that my feedback are not appreciated by others and my colleagues hardly give any feedback to me.”

Apparently, many employees are still not satisfied with feedbacks for their work performance. In terms of feedback and surveys, this research could also be regarded as a channel for Outotec Filters employees to speak their minds to managers about the internal communication with the expectations for new improvements.

7.5 The satisfaction of the employees

The satisfaction of the employees at Outotec Filters regarding their internal communication is a significant consideration in this study. An interviewee from the white-collar group expressed his high satisfaction as:

"The way Outotec Filters handles internal communication is pretty well. It is closely connected to the internal communication team in Espoo. Therefore, I have sufficient information for my work from my supervisor and the headquarters. Outotec Filters is really willing to listen to employees' opinions, and I can see the internal communication in the company improved day by day. It is difficult for me to find anything to criticize about it."

Two other employees shared the same perspective with the opinion above. Besides, three other participants agreed that internal communication of the company was fairly good, but still required some improvements.

"I always feel that Outotec Filters sincerely wants to improve our internal communication. It is shown not only by words in the company's statements but also in their actions. However, Outotec is a large corporation and it is definitely very hard to manage all communicational issues...."

On the other hand, there are several opinions expressing their dissatisfactions. One white-collar employee commented that:

"I know internal communication is a challenge, but we could do it much better here. I do not think that we communicate well enough in this company. Putting news on the Insite is not genuinely communicating, it is just informing..."

Likewise, all the three blue-collar workers responded that the internal communication in Outotec Filters still did not meet their expectations. They claimed that they always received less information than the white-collars, as most of the

blue-collar employees were unable to read documents in English. Obviously, this causes difficulties and issues for their work.

Generally, the responses of the employees of Outotec Filters about their satisfaction of internal communication varied. The interview results depict that the blue-collar workers tend to be less satisfied with internal communication than the white-collars.

7.6 Internal communication issues of Outotec Filters

This chapter presents a synthesis of typical barriers of achieving effective internal communication at Outotec Filters. The issues include information overload, language barriers, communication channel issues, network breakdowns and insufficient communication facilities.

Information overload

Similar to any other MNCs, Outotec has to obtain a huge amount of information in their daily operations. Hence, information overload is one of the most inevitable issues in the internal communication of the corporation.

The obvious existence of this issue is displayed by the high number of meetings Outotec Filters employees have to attend, and the enormous amount of information on the corporate Intranets. Moreover, the frequent overflow of employee mailboxes is also a proof of information overload.

Three interviewees admitted that they usually missed vital news or information as they were unable to process all the information. Notably, this issue is more severe for the white-collar workers in the company, who communicate more regularly by the Internet.

Language barriers

While information overload mostly challenges white-collar workers, the blue-collar workers at Outotec Filters have to deal with another big issue in communication: language barriers. As mentioned earlier, most of the Outotec blue-collar workers lack English sufficiency, the official corporate language. This is-

sue certainly causes a lot of communication difficulties for the blue-collar workers, which are also analyzed in the previous section.

Notably, the blue-collar workers expressed in the interview that they continuously wished to improve their English skills. However, the training of the company had not met their expectations.

"Many times we tried to learn more English. In 2012, our production group requested for more language training from the company. We sent to our manager a very long list consisting of about 30-40 names of people participating. However, we kept on waiting and still, nothing happened. Then, we asked our manager, but he did not even remember about that list..."

"Working in a MNC requires us to travel a lot. As a member of the assembly team, I can be sent to India or other places to set up the machine that we have produced here. I often learn English by myself because the company supports very little for it...Sometimes, I have to use Google Translate to read materials in English but it does not work very well..."

According to the Human Resources Manager of Outotec Filters, it is difficult for the headquarters in Espoo to understand this problem that the Outotec Filters in Lappeenranta encountered. The reason is that there are no blue-collar workers at the headquarters but only clerks. Therefore, this issue has not been paid sufficient attention by the corporation.

Issues with the communication channels

The use of communication channels at Outotec Filters has been discussed comprehensively in the previous chapter. The issues more or less occur in every communication channel. Nevertheless, Outotec Filters employees tend to have the most difficulties and problems in face to face and internet-driven channels.

Particularly, the InSite received a great number of negative feedback and complaints from the interviewees due to its complexity and unfriendliness to users. The interview results show that the majority of Outotec Filters employees preferred to use their old Larox Intra, which reduces the role of the InSite as the

official Intranet. Therefore, the Intranet issue becomes the biggest concern in the evaluation of the efficiency of internal communication channels.

Network breakdowns

Network breakdowns at Outotec Filters mostly occur due to human factors rather than technical factors as mentioned in the theoretical part. As referred in the previous section, the communication of blue-collar workers relies heavily on face-to-face dialogues and meetings. If managers or supervisors do not spend adequate time and efforts to communicate with the blue-collar employees by this channel, problems will be very likely to occur. An employee commented that:

"Some team leaders often spend more time in front of the computer for purchasing activities rather than lead the team and manage problems. Many times I witness a team having problems during their work but unable to reach their supervisor. If supervisors spent more time with the teams, maybe we would not need as many meetings as we are having now..."

Another respondent showed the same displeasure to the corporate downward communication. She mentioned that some supervisors received information from higher managers but did not give it to subordinates, even though that information had to be spread. Additionally, the issue of network breakdowns also appears due to the low efficiency of feedback. Giving and receiving (informal) feedback are still irregular and underestimated activities of Outotec Filters employees.

Insufficient communication facilities

Outotec Filters employees have been provided with a lot of communication tools and facilities. Notwithstanding, the interview results indicated that the employees demand for communication facilities was not fully satisfied.

First, the employees desired for more video-conference rooms so that they could be able to use it. The only current video-conference room is often fully-booked, while numerous people need it to communicate globally. Thus, a new video-conference room would be very important and necessary.

Second, the blue-collar workers requested to have the LCD info-TVs in their factory. They used to read local news from info-TVs in the past, but the contents on the screens are not updated anymore. Third, the number of stationary (shared) computers in the factory are preferred to be increased, so that the workers would have more opportunities to use Internet-driven communication channels.

Last, the factory workers also expected to change the place of their regular meetings. The factory is commonly too noisy, and it lacks projectors or microphones. Hence, if meetings took place in the auditorium instead, the quality of these meetings would definitely be enhanced.

8 Conclusions & development suggestions

To summarise, the qualitative findings present an overall picture of internal communication organized in Outotec Filters. Particularly, the research revealed a clear distinction in communication demands and status between white-collar and blue-collar workers in a MNC, thus causing differences in their communication issues.

The case company supports their employees with a well-designed internal communication system of multiple channels. While Internet-driven channels are vital to the daily communication of Outotec's white-collar staffs, their blue-collar workers rely mainly on face-to-face, prints and notice-boards for discussing and exchanging information.

Most of the white-collar workers feel fairly satisfied with their corporate internal communication. On the other hand, the blue-collar workers are still dissatisfied with internal communication, explaining that they received less information and encountered more issues in internal communication.

Outotec Filters employees are dealing with internal communication issues in their downward, upward and lateral communication. The most typical issues are information overload, language barriers, communication channel issues, network breakdowns and insufficient communication facilities. The most significant

internal communication difficulties to white-collar employees are information overload and communication channel issues, but to blue-collar workers, it is the language barrier. Information overload and language barriers are authentically the nature and characteristics of a MNC.

All of the Outotec Filters personnel expected to see a development in the company's internal communication. At present, the corporation is doing fine with the current status of internal communication. However, in order to be prepared for any future crisis, the company should have more strategic planning to improve their internal communication to a higher level and better satisfy their employees.

There are numerous suggestions that Outotec Filters could implement for achieving a more effective internal communication. First of all, the role of internal communication should be made more visible to the employees. Internal communication responsibilities in the company should be given more authorizations from the headquarters to coordinate the internal information flows and assist other people with communication issues. Moreover, the employees should be encouraged to give feedback to their superiors and colleagues more frequently; and the company needs to take all the feedbacks into serious consideration. Additionally, the personnel should be encouraged to exchange information and knowledge more openly within the company.

Secondly, the quality of meetings could be enhanced by planning and organizing meetings more attentively. The meeting attendees should be well-selected and informed in advance about discussion topics or agendas. Meeting organizers are advised to reduce unnecessary meetings to the minimum by using additional channels, for examples, papers, emails or intranets for informing news.

Thirdly, it is also imperative to strengthen the efficiency of communication channels within the company. The content of the communication channels should be carefully chosen and updated frequently. Notably, Outotec Filters employees argue whether to abolish the Larox Intra or not. Most of the respondents insisted on keeping both the two intranets at present, nevertheless, they hoped the InSite could be improved vastly as the official Intranet and could gradually replace the old server in the future. Most important intranet news should be both

in English and Finnish. Furthermore, the InSite should allow users to find information more easily by classifying information into proper themes and topics, together with a quick-link access. Above all, whenever, a new server is introduced, it is necessary to provide thorough trainings to the employees.

Forthly, Outotec Filters should encourage blue-collar employees to overcome language barriers by supporting them with adequate language training. A great number of blue-collar employees are inclined to improve their English, and indeed, the company should not deny this request. Last but not least, the internal communication, especially among blue-collar employees, would be undoubtedly upgraded if Outotec Filters complemented the missing communication facilities promptly.

Outotec is a rapidly growing multinational company, and its internal communication will consequently become more complex. It is inevitable for a huge organization as Outotec to encounter issues in internal communication. By reviewing these issues comprehensively, the corporation would be able to find solutions to smoothen their employee communication, thus increasing working performances and improving employee relationships.

This research, hopefully, contributes some ideas for the case company to make positive changes to their internal communication. For the thesis writer, the goal of this research was successfully achieved. Internal communication in MNCs is an appealing subject to study. During the thesis process, the writer has learned a great deal about internal communication in business as well as the way of conducting a real research. The practical experience gained from the case company is genuinely worthwhile and would be definitely advantageous to the writer in the future.

9 Recommendations for further researches

This research has described and analyzed the communication barriers within a MNC. However, there are still some additional aspects that could be of relevance for our case company and future researchers to investigate.

As mentioned earlier, the limitation of this study is to research the topic in only one local unit of Outotec in Lappeenranta. Similar researches could be made in other units of the case company or in another MNCs, where cultural diversity is more significant.

In addition, further studies could investigate the interdepartmental communication within a MNC. This could be a great potential contribution to the management of corporate communication.

Figures

Figure 1. The Transmission Model of Communication, p. 9

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Figure 3. Directions of information flows in and around an organization, p.16

Figure 4. Furniture placement and nonverbal communication in the office, p.28

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Appendices

Appendix 1: *Interview questions*

1. How long have you been working for Outotec Filters?
2. What is your position in the company? Please describe shortly your daily tasks.
3. Are you involved in internal communication? Do you know who is responsible for internal communication of the company?
4. Meetings:
 - a. How many meetings per week do you often attend?
 - b. How efficient are they?
 - c. How do you evaluate conversations among employees?
5. Prints
 - a. How often do you read internal prints? How are their quality?
 - b. What kinds of information do you find from prints?
6. What other communication channels do you use often at work? How efficient are they?
 - Internet-driven (Emails, Intranets...)
 - Audio & video calls/conferences
 - Social media (Facebook, Twitter, LinkedIn...)
7. What do you think about feedbacks? How often do you receive feedbacks for your work performance? By which channels?
8. Are you working in a closed/open office? Is it an advantage/disadvantage for your communication? How do you keep confidential information?
9. What is your opinion about corporate events?
10. How do you evaluate internal communication of Outotec Filters? Are you satisfied with it? Specify reasons.
11. Which issues are you dealing with concerning internal communication?
 - Amount & quality of information
 - Timing
 - Language barriers
 - Company hierarchy

- Ineffective channels
- Insufficient facilities
- Network breakdowns
- Other

12. Do you have any suggestions to solve these problems and improve the corporate internal communication?

13. What else would you like to say about internal communication at Outotec Filters?